



ANNUAL REPORT

2022

Baltic Shipping Company Group
CVR 36085851



BALTIC SHIPPING COMPANY GROUP

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Baltic Shipping Company Group

Ved Isefjorden 24
3390 Hundested
Denmark

CVR 36085851
www.balticshipping.dk
chartering@balticshipping.dk
+45 3996 0800

Shipping since 1950

We have decades of experience providing cargo transport and specialized logistics services to companies around the world.

Certifications

- GMP+ certified
- ISO 9001:2015 certified
- Certified by fonasba
- Member of Dansk Industri
- Member of Danish Shipbrokers and Port Operators



Five-times Gazelle winner

Baltic Shipping Company has won the Gazelle Award for five years in a row.



Gazelle companies are nominated by the Danish financial newspaper Børsen for showing a continuous growth in revenue or gross profit for the past four financial years with a total revenue or gross profit that has more than doubled during that period.



NAVIGATING 2022

As I look back over 2022, I'm reminded that the world is still suffering from the effects of Covid19 and continues to be turned upside down by terrible events, not least in Ukraine.

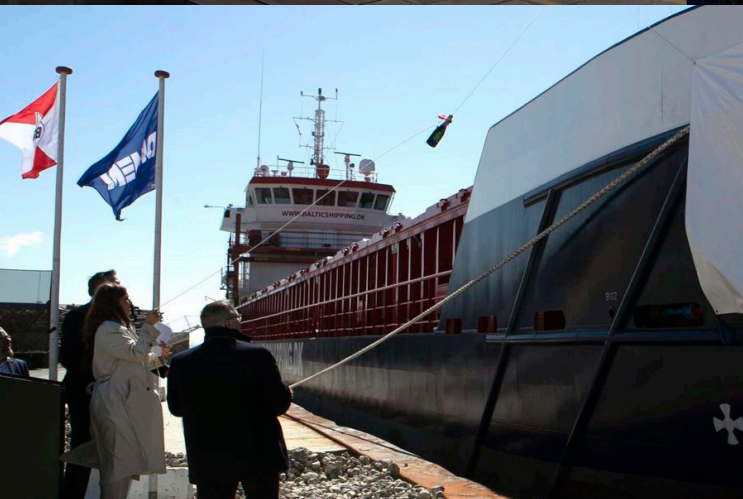
However, at Baltic Shipping Company we are grateful to be able to write that 2022 exceeded all of our expectations and was a fantastic year. The global and market challenges we faced brought us even closer to our business partners, colleagues – and as a team.

2022 also offered many new opportunities in our various segments that have allowed us to meet and work with new business partners and colleagues.

We believe in the power of teamwork and strive to bring out the best in our team by encouraging professional development, having fun, staying healthy, being sociable and sharing our know-how with others. I know we have the best employees and our approach to work is what enables us to maintain our team spirit and be a strong partner for our customers.



Peter Ronnie Hulstrøm
Managing Director



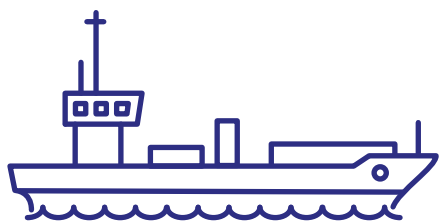
CHRISTENING OUR FIRST NEWBUILD

270 people gathered at Hundested Harbour in Denmark to celebrate another milestone in the history of Baltic Shipping Company. In glorious sunshine, the coaster Baltic Fin was christened by smashing a bottle of champagne against the side of the ship as 500 colourful balloons were released into the air.

Baltic Shipping Company's first newbuild coaster was 'born' at the Damen shipyard in China. However, due to Corona restrictions, the vessel could not be christened before it left for Europe and Denmark. Our customers, suppliers, families and friends made this day even more special by celebrating the event with us at the quay next to our headquarters in Hundested.



COMPANY OVERVIEW



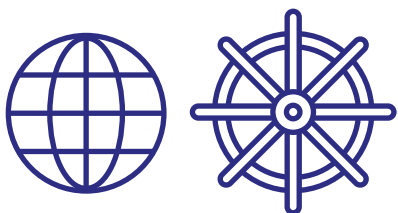
73

coasters
of between
1,150 mt.
and 6,360 mt.



55

employees in
ship management,
chartering, stevedoring,
agency



5,500

expected
number of
voyages
in 2023

FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

KEY FIGURES	2022	2021	2020	2019	2018
PROFIT/LOSS	TDKK	TDKK	TDKK	TDKK	TDKK
Revenue	806,676	349,395	226,092	186,856	118,150
Gross profit/loss	303,139	115,472	52,951	46,599	40,860
Profit/loss before financial income and expenses	257,705	84,558	25,169	21,608	22,368
Profit/loss of financial income and expenses	1,339	685	147	256	423
Net profit/loss	239,544	76,107	20,385	17,686	19,108
BALANCE SHEET					
Balance sheet total	409,927	158,878	83,016	68,736	53,674
Investment in property, plant and equipment	108,585	3,148	160	935	1,451
Equity	214,718	80,734	26,197	17,873	19,340
CASH FLOWS					
Cash flows from:					
- operating activities	215,883	59,289	25,012	19,052	17,580
- investing activities	-85,587	-5,466	649	-3,882	-824
- financing activities	-83,572	-22,148	-15,608	-22,215	-14,220
Change in cash and cash equivalents for the year	46,725	31,674	10,053	-7,045	2,536
EMPLOYEES					
Number of employees	44	37	38	30	23
RATIOS					
Gross margin	37.6%	33.0%	23.4%	24.9%	34.6%
Profit margin	31.9%	24.2%	11.1%	11.6%	18.9%
Return on assets	62.9%	53.2%	30.3%	31.4%	41.7%
Solvency ratio	52.4%	50.8%	31.6%	26.0%	36.0%
Return on equity	162.2%	142.3%	92.5%	95.1%	197.6%

-40%^{leaf} CO₂



CLIMATE-FRIENDLY

The delivery of this newbuild is the first of an order of nine coasters. It marks an important milestone and the culmination of many years' work by all employees at Baltic Shipping Company A/S. These new coasters enable us to offer a more sustainable profile and efficient fuel economy for our customers. They use around 40% less fuel compared with the previous generation of coasters. When the ship is in harbour, it can also use shore power, which reduces both noise and pollution.

VISUALISING THE FUTURE

Travelling by sea is often the shortest route from A to B. That is why it is generally beneficial for the environment and for customers' CO₂ emissions to choose ships instead of road transport. Over the past three years, Baltic Shipping Company has calculated the CO₂ emissions of every single one of our voyages and made this visible for our customers on our invoices.

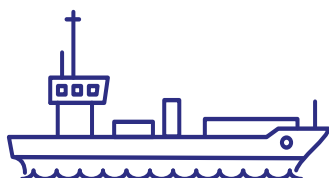


OUR TRADING AREA



5,500

expected number of voyages in 2023



OUR LOCATIONS





FINANCIAL STATEMENTS

2022



BALTIC SHIPPING COMPANY GROUP

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MANAGEMENT'S STATEMENT

The Executive Board has today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of Baltic Holding Hundested ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Consolidated Financial Statements and Parent Company Financial Statements be adopted at the Annual General Meeting.

Hundested, 30 May 2023

Executive Board



Thomas Holst Olsen



Peter Ronnie Hulstrøm



Mikkel Schmidt

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Baltic Holding Hundested ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Baltic Holding Hundested ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

Hellerup, 30 May 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Alexander

State Authorised Public Accountant

mne42824

COMPANY INFORMATION

The Company

Baltic Holding Hundested ApS
Ved Isefjorden 24
DK-3390 Hundested

CVR No: 36 08 58 51

Financial period: 1 January - 31 December

Municipality of reg. office: Halsnæs

Executive board

Thomas Holst Olsen
Peter Ronnie Hulstrøm
Mikkel Schmidt

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

MANAGEMENT'S REVIEW

Key activities

The primary activity of the Baltic Shipping Company Group is coaster transport of bulk and project cargo primarily in Northern Europe and the Baltic Sea.

We are specialized in Commercial Ship Management, Competitive Chartering, Ships Agency, stevedoring and transporting of Bulk and Project Cargo.

Baltic Shipping Company Group are managing a total fleet of 65 vessels at the end of 2022 with 4 additional vessels joining the fleet in January 2023.

Baltic Shipping Company has a fleet of 37 dry cargo vessels in the range from 1.200-5.000 dwt in commercial management.

In Baltic Coaster Chartering and Baltic Coaster Transport we have 28 vessels on time charter at the end of 2022.

Market overview

2022 marked a very strong year for the shipping industry in general and the same applies for Baltic Shipping Company. In a strong competitive market, the revenue has increased significantly, and we were able to optimize our fleet and expand our geographical scope and hence provide the best possible results for both vessel and freight owners.

2023 has started on a strong note. However, considering the high inflation and increasingly high costs we do expect a lower result in 2023. We will continue the positive development of Baltic Shipping Company.

The current crisis in Ukraine has the outmost attention from the management. Every angle from sanctions to consequential market development are constantly vetted, and we are in very close dialogue with all our business partners and advisors. We do however, despite the opaque situation and the seriousness of the crisis, not foresee any reason to adjust our positive expectations for 2023.

MANAGEMENT'S REVIEW

Development in the year

In 2022 the group had a total turnover of DKK 1.545.2 mil compared to DKK 929.2 mil in 2021, which is an increase of 66%. Only income from projects, stevedoring, agency and commission received for commercial management is recognized as revenue, why the reported revenue in the financial statements amounts to DKK 698.7 million compared to DKK 349.4 million in 2021.

The result before tax is DKK 259.0 million compared to DKK 85.2 million in 2021 which is an increase of 204%

The Management consider the result very satisfactory and above expectations.

The number of people employed by Baltic Shipping Company Group has increased from an average of 37 employees in 2021 to an average of 44 employees in 2022.

Our fleet in Commercial Management has decreased from an average of 37 vessels in 2021 to an average of 36 vessels during 2022.

Our fleet on time charter has grown from an average of 16 vessels in 2021 to 22 vessels in 2022.

The market for coaster trading in the Baltic Sea and Northern Europe has remained and become increasingly strong during 2022. The market has throughout the year been outstanding both in terms of amount of freight, freight rates and development opportunities in the market. The activity for Baltic Shipping Company Group has in line with the development in the market grown significantly both in terms of filling own and foreign tonnage. This remarkable market is expected to slow down to a steadier level, although high expectations continue to be in place for the foreseeable future.

Our Agency and Stevedoring activities have also performed very well, and especially our Stevedoring activities have grown significantly in 2022.

Our customer base has been additionally strengthened in 2022 and we continue having a strong relationship with our customers based on a competitive service, which is built on long lasting cooperation and partnerships.

Based on our strong believe in the coaster market and trade, we have in 2022 made significant long term investments.

We are expecting the market to continue a strong performance and expect a result slightly below 2022.

Internal Risk Management

We are continuously working on improving our internal risk management and quality standards.

To ensure we maintain our high-quality standards, we have in 2022 hired a quality manager.

The management have identified the following as primary risk areas:

- 1) Safety during and around our stevedoring operations
- 2) The environmental impact of our core business area
- 3) Employee satisfaction
- 4) Integrity and ethic throughout the entire supply chain

To further strengthen our quality management system, we are ISO9001 certified. The standard is incorporated in and by the whole organization. The general work with and knowledge about all the procedures, supports awareness, focus on quality assurance and correct start-up and continuous review of each project, promoting safety and preventive actions combined with ensuring the expected profitability and customer satisfaction.

To stress the importance of high quality standards in the sea transport for feeds, we were re-certified in GMP+ B4 and B3 for sea transport.

MANAGEMENT'S REVIEW

We all have a responsibility for sustainability and social responsibility

In Baltic Shipping Company we are placing this responsibility high on the agenda and have increased focus on 8 of the 17 global goals for sustainable development.

The action comprises strategies and measures against climate changes as well as awareness-raising on climate changes. In Baltic Shipping Company we do this by measuring and highlighting the CO2-emission of each freight carried by a BSC vessel - and by comparing the CO2-emission of the same cargo being moved by trucks and highlighting this to our customers in each invoice, we jointly support sustainable freight. The impact on the environment is significant as each vessel load compares to approximately 100 truckloads, depending on the vessel size.

As a company, we have an ethical responsibility for our people, our surroundings, and the world in which we live – including safety and environment on our projects. We therefore keep a continuous focus on safety, working environment and environmentally sound behaviour and on contributing positively to our surroundings. We ensure continued focus and awareness on this by having integrated policies and action points integrated in our Leadership System ISO9001. We are very happy to report 0 incidents again this year.

Throughout the year, we have worked for a positive and developing working environment, which focuses on the individual employee, and on collaboration between employees and across departments. We have supported initiatives to improve employee health and safety and are striving to continuously improve work-life balance, by ensuring the right people and the right number of people. The management supports and initiates several health supporting activities ranging from physical activity breaks to healthy food. The management keeps a close eye on the voluntary employee turnover and concludes that it continues to stay at a low level.

As a shipping company, we have a responsibility to contribute to the development of future shipping employees and leaders. We excel in taking a significant number of own trainees onboard – and preferably keep them onboard - and support the education of trainees and of our employees in general. We are currently employing 2 accounting trainees and 4 shipping trainees.

We consider diversity a strength that helps us gain access to the best talents and develops our business and organization in a positive direction.

In Baltic Shipping Company we fully support and live by the UN Code of Conduct, and our human rights policies are consolidated from this and our employee handbook. We support integrity and ethics in all aspects of the company's activities, and we have a zero tolerance towards corruption. It is an integrated part of our supplier and customer assessment that this part of the code of conduct is adhered to by all. To ensure the adherence by all parties the management is in constant and close dialogue with all involved parties and can again on this basis conclude that no violation of human rights or attempts on corruption have happened in 2022.

MANAGEMENT'S REVIEW

Assessment of risks

Climate change and the environment

It is our ambition to continuously improve energy efficiency with all vessels. Consequently, the Group is always inquiring about energy efficiency when engaging a supplier including contractual terms ensuring the supplier vessel is sailing on MGO.

However, as the fuel consumption is the only material impact, we may influence, and since the number of transactions are limited, the Group does not see risks material enough to require a formalised policy. In the coming years, there will be new legislation and regulation which will increase focus on vessels' CO₂ emissions. We will continuously evaluate the need for a more formalised policy.

Human rights

With our current business model we don't employ crew on the vessels. All land based employees are hired on equal terms and conditions and in accordance with Danish labor market standards.

Consequently, we do not see risks leading to a need for a formalised policy on human rights. We will continuously evaluate the need for a more formalised policy.

Anti-corruption

Baltic Shipping Company has a zero tolerance towards corruption and bribery practices. Contracts with both customers and suppliers follow the standards provided by BIMCO. Port costs forwarded by chartered vessels that are to be paid by the company undergo quality assurance and approval by our skilled operators, who know the official rates in ports. Further, all costs related to voyages are controlled by accounting applying a four eye principle, so the risks related to corruption and bribery are considered very low. In 2022, we have followed the anti-corruption procedures described above and we will continue to do so in the future.

Employees

Baltic Shipping Company believes that personal development is key to the success and well-being of the company's employees and thereby the success of the Company itself. To attract and maintain qualified employees is critical to the Company's growth.

Policies on CSR

Referencing the above assessment and evaluation of risks related to CSR, the Group has decided not to author formalised policies for impacts related to climate change, environmental issues, human rights, and anti-corruption. Our work within these areas is described in the sections above. We will continuously evaluate the need for more formalised policies.

Policy regarding employees

It is the policy to enable Baltic Shipping Company to attract, retain and evolve the best possible employees, meaning employees that are highly qualified and motivated to successfully manage present and future assignments.

Activities and results

In 2022, meetings were held at least twice a year with all employees, where the performance of the individual was assessed and evaluated. In 2023, we will continue with annual meetings to assess and evaluate the performance of the individual employees.

Statement in compliance with section 99(b) of the Danish Financial Statements Act

There are no women in the current board.

The goal is by 2025 that the company will meet the target of a gender distribution of 20% in the board.

Policy to increase gender diversity on other management levels:

The Group employs less than 50 employees and therefore there is no requirement to develop a policy for the underrepresented gender.

MANAGEMENT'S REVIEW

Statement on data ethics in accordance with section 99 d of the Danish Financial Statements Act

The Group has evaluated if it is relevant to prepare a policy for data ethics. The Group only enters into business with B2B customers and therefore, to a limited extent, collects and processes data. The Group has not prepared a data ethics policy, but all information we receive related to customers, vendors and employees are treated in a responsible manner that secure that the data cannot be accessed by unauthorised persons.

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

Unusual events

The financial position at 31 December 2022 of the Group and the results of the activities and cash flows of the Group for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

MANAGEMENT TEAM



A blue ink signature of Peter Ronnie Hulstrøm.

Peter Ronnie Hulstrøm
Managing Director

A blue ink signature of Karina Uldahl Kiel.

Karina Uldahl Kiel
CFO



A blue ink signature of Mikkel Schmidt.

Mikkel Schmidt
Partner, Ship Management

A blue ink signature of Thomas Holst Olsen.

Thomas Holst Olsen
Partner, Chartering

A blue ink signature of Frederik Christian Lytzen.

Frederik Christian Lytzen
Partner, Chartering

INCOME STATEMENT

1 JANUARY - 31 DECEMBER

	Note	Group		Parent company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Revenue	1	806,676,166	349,394,594	0	0
Other operating income		636,216	680,100	0	0
Expenses for raw materials and consumables		-485,714,537	-224,387,476	0	0
Other external expenses		-18,458,467	-10,215,428	-1,632,985	-100,000
Gross profit		303,139,378	115,471,790	-1,632,985	-100,000
Staff expenses	2	-39,990,351	-27,977,629	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-4,916,256	-2,935,669	0	0
Other operating expenses		-527,969	0	0	0
Profit/loss before financial income and expenses		257,704,802	84,558,492	-1,632,985	-100,000
Income from investments in subsidiaries	4	0	0	225,267,995	72,751,476
Income from investments in associates		543,900	509,600	543,900	509,600
Financial income	5	4,865,350	1,702,354	1,366,530	54,271
Financial expenses	6	-4,070,688	-1,526,747	-1,331,803	-12,965
Profit/loss before tax		259,043,364	85,243,699	224,213,637	73,202,382
Tax on profit/loss for the year	7	-19,499,083	-9,136,368	351,500	12,913
Net profit/loss for the year	8	239,544,281	76,107,331	224,565,137	73,215,295

BALANCE SHEET

31 DECEMBER

Assets

	Note	Group		Parent company	
		2022 DKK	2021 DKK	2022 DKK	2021 DKK
Goodwill		15,063,535	0	0	0
Intangible assets	9	15,063,535	0	0	0
Other fixtures and fittings, tools and equipment		15,350,719	11,989,106	0	0
Vessels		72,073,517	0	0	0
Leasehold improvements		22,727	73,638	0	0
Property, plant and equipment in progress		28,162,854	0	0	0
Property, plant and equipment	10	115,609,817	12,062,744	0	0
Investments in subsidiaries	11	0	0	188,605,464	74,243,236
Investments in associates	12	14,311,182	1,073,500	1,073,500	1,073,500
Other investments	13	7,697,191	3,346,605	0	0
Deposits	13	383,236	325,922	0	0
Fixed asset investments		22,391,609	4,746,027	189,678,964	75,316,736
Fixed assets		153,064,961	16,808,771	189,678,964	75,316,736
Inventories	14	16,859,112	10,377,580	0	0
Trade receivables		75,948,865	62,839,928	0	0
Receivables from group enterprises		0	0	0	45,320
Receivables from associates		0	5,938	0	0
Other receivables		48,323,789	7,408,110	36,225,860	1,589,777
Corporation tax		12,870	0	351,500	12,913
Prepayments	15	16,957,994	9,403,568	0	0
Receivables		141,243,518	79,657,544	36,577,360	1,648,010
Cash at bank and in hand		98,759,071	52,034,033	13,333,429	937,316
Current assets		256,861,701	142,069,157	49,910,789	2,585,326
Assets		409,926,662	158,877,928	239,589,753	77,902,062

BALANCE SHEET

31 DECEMBER

Liabilities and equity

	Note	Group		Parent company	
		2022	2021	2022	2021
		DKK	DKK	DKK	DKK
Share capital		100,000	100,000	100,000	100,000
Retained earnings		10,667,199	3,702,062	10,667,199	3,702,062
Proposed dividend for the year		180,000,000	74,000,000	180,000,000	74,000,000
Equity attributable to shareholders of the Parent Company		190,767,199	77,802,062	190,767,199	77,802,062
Minority interests		23,950,970	2,931,808	0	0
Equity		214,718,169	80,733,870	190,767,199	77,802,062
Provision for deferred tax	16	97,016	504,068	0	0
Provisions		97,016	504,068	0	0
Lease obligations		4,587,621	5,840,579	0	0
Other payables		40,148,712	1,571,315	0	0
Long-term debt	17	44,736,333	7,411,894	0	0
Credit institutions		299,838	0	0	0
Lease obligations	17	3,860,831	1,581,787	0	0
Prepayments received from customers		489,320	387,094	0	0
Trade payables		71,525,620	44,651,039	0	0
Payables to group enterprises		0	0	21,652,185	0
Corporation tax		15,287,467	2,016,989	0	0
Deposits		22,680	22,680	0	0
Other payables	17	53,631,528	18,651,237	27,170,369	100,000
Deferred income	18	5,257,860	2,917,270	0	0
Short-term debt		150,375,144	70,228,096	48,822,554	100,000
Debt		195,111,477	77,639,990	48,822,554	100,000
Liabilities and equity		409,926,662	158,877,928	239,589,753	77,902,062
Contingent assets, liabilities and other financial obligations	21				
Related parties	22				
Fee to auditors appointed at the general meeting	23				
Accounting Policies	24				

STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	100,000	3,702,062	74,000,000	77,802,062	2,931,808	80,733,870
Ordinary dividend paid	0	0	-74,000,000	-74,000,000	0	-74,000,000
Extraordinary dividend paid	0	-37,600,000	0	-37,600,000	0	-37,600,000
Sale of minority interests	0	0	0	0	6,043,928	6,043,928
Purchase of minority interests	0	0	0	0	-3,910	-3,910
Net profit/loss for the year	0	44,565,137	180,000,000	224,565,137	14,979,144	239,544,281
Equity at 31 December	100,000	10,667,199	180,000,000	190,767,199	23,950,970	214,718,169

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	100,000	0	3,702,062	74,000,000	77,802,062
Ordinary dividend paid	0	0	0	-74,000,000	-74,000,000
Extraordinary dividend paid	0	0	-37,600,000	0	-37,600,000
Dividend from group enterprises	0	-226,641,000	226,641,000	0	0
Net profit/loss for the year	0	226,641,000	-182,075,863	180,000,000	224,565,137
Equity at 31 December	100,000	0	10,667,199	180,000,000	190,767,199

CASH FLOW STATEMENT

1 JANUARY - 31 DECEMBER

	Note	Group	
		2022	2021
		DKK	DKK
Result of the year		239,544,281	76,107,331
Adjustments	19	23,007,413	12,129,196
Change in working capital	20	-39,937,774	-21,264,552
Cash flow from operations before financial items		222,613,920	66,971,975
Financial income		2,304,814	728,980
Financial expenses		-1,912,782	-529,509
Cash flows from ordinary activities		223,005,952	67,171,446
Corporation tax paid		-7,122,837	-7,882,513
Cash flows from operating activities		215,883,115	59,288,933
Purchase of intangible assets		556,003	0
Purchase of property, plant and equipment		-54,474,797	-3,148,316
Fixed asset investments made etc		-17,588,268	-3,447,405
Sale of property, plant and equipment		420,000	620,000
Sale of fixed asset investments made etc		1,950,000	0
Business acquisition		-16,936,086	0
Dividends received from associates		543,900	509,600
Change in deposits		-57,317	0
Cash flows from investing activities		-85,586,565	-5,466,121
Reduction of lease obligations		0	-1,148,377
Lease obligations incurred		1,026,086	0
Raising of payables to participating interests		27,115,368	0
Other equity entries		-112,966	0
Dividend paid		-111,600,000	-21,000,000
Cash flows from financing activities		-83,571,512	-22,148,377
Change in cash and cash equivalents		46,725,038	31,674,435
Cash and cash equivalents at 1 January		52,034,033	20,359,598
Cash and cash equivalents at 31 December		98,759,071	52,034,033
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		98,759,071	52,034,033
Cash and cash equivalents at 31 December		98,759,071	52,034,033

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
1. Revenue				
Business segments				
Commercial ship management and coaster transport of bulk and project cargo	690,587,588	274,674,484	0	0
Agency	46,329,148	39,895,017	0	0
Stevedoring activities	69,759,430	34,825,093	0	0
	806,676,166	349,394,594	0	0

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
2. Staff Expenses				
Wages and salaries	37,105,513	26,157,647	0	0
Pensions	2,787,322	1,737,425	0	0
Other social security expenses	97,516	82,557	0	0
	39,990,351	27,977,629	0	0

Including remuneration to the Executive
Board:

Executive board	6,661,699	5,825,583
	6,661,699	5,825,583

Average number of employees	44	37	3	3
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NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	130,462	513,381	0	0
Depreciation of property, plant and equipment	4,785,794	2,422,288	0	0
	4,916,256	2,935,669	0	0

	Parent company	
	2022	2021
	DKK	DKK
4. Income from investments in subsidiaries		
Share of profits of subsidiaries	225,535,248	72,751,476
Loss on sale of shares in subsidiaries	-267,253	0
	225,267,995	72,751,476

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
5. Financial income				
Other financial income	2,304,814	728,980	1,366,530	54,271
Exchange adjustments	190,975	0	0	0
Exchange gains	2,369,561	973,374	0	0
	4,865,350	1,702,354	1,366,530	54,271

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
6. Financial expenses				
Interest paid to group enterprises	0	0	91,314	0
Other financial expenses	1,912,782	529,509	1,193,952	12,965
Exchange loss	2,157,906	997,238	46,537	0
	4,070,688	1,526,747	1,331,803	12,965

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
7. Income tax expense				
Current tax for the year	19,928,288	9,128,989	-351,500	-12,913
Deferred tax for the year	-429,205	7,379	0	0
	19,499,083	9,136,368	-351,500	-12,913

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
8. Profit allocation				
Extraordinary dividend paid	37,600,000	0	37,600,000	0
Proposed dividend for the year	180,000,000	74,000,000	180,000,000	74,000,000
Reserve for net revaluation under the equity method	0	0	226,641,000	74,800,000
Minority interests' share of net profit/loss of subsidiaries	14,979,144	2,892,036	0	0
Retained earnings	6,965,137	-784,705	-219,675,863	-75,584,705
	239,544,281	76,107,331	224,565,137	73,215,295

NOTES TO THE FINANCIAL STATEMENTS

9. Intangible fixed assets

Group

	Goodwill DKK
Cost at 1 January	0
Additions for the year	15,194,785
Cost at 31 December	15,194,785
Impairment losses and amortisation at 1 January	0
Amortisation for the year	131,250
Impairment losses and amortisation at 31 December	131,250
Carrying amount at 31 December	15,063,535

10. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment DKK	Vessels DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost at 1 January	20,439,194	0	254,557	0
Additions for the year	6,722,588	73,699,072	0	28,162,854
Disposals for the year	-810,000	0	0	0
Cost at 31 December	26,351,782	73,699,072	254,557	28,162,854
Impairment losses and depreciation at 1 January	8,450,088	0	180,919	0
Depreciation for the year	3,047,725	1,625,555	50,911	0
Reversal of impairment and depreciation of sold assets	-496,750	0	0	0
Impairment losses and depreciation at 31 December	11,001,063	1,625,555	231,830	0
Carrying amount at 31 December	15,350,719	72,073,517	22,727	28,162,854
Amortised over	3-10 years	10 years	5 years	
Including assets under finance leases amounting to	10,409,023	0	0	0

NOTES TO THE FINANCIAL STATEMENTS

	Parent company	
	2022	2021
	DKK	DKK
11. Investments in subsidiaries		
Cost at 1 January	4,983,000	4,983,000
Additions for the year	654,233	0
Disposals for the year	-147,000	0
Cost at 31 December	5,490,233	4,983,000
Value adjustments at 1 January	69,260,236	14,938,759
Disposals for the year	-2,070,253	0
Net profit/loss for the year	225,535,248	73,264,858
Dividend to the Parent Company	-109,610,000	-18,430,000
Amortisation of goodwill	0	-513,381
Value adjustments at 31 December	183,115,231	69,260,236
Carrying amount at 31 December	188,605,464	74,243,236

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Baltic Holding Jylland ApS	Hundested	50,000	70%
Carl Elgaard Shipping ApS	Aarhus	80,000	70%
Baltic Shipping Company Fyn ApS	Kerteminde	50,000	70%
Baltic Shipping Company A/S	Hundested	700,000	94%
Baltic Coaster Chartering ApS	Hundested	125,000	94%
Baltic Coaster Transport ApS	Hundested	40,000	94%
Bay Shipping A/S	Aarhus	500,000	94%
Bay Chartering ApS	Aarhus	125,000	94%
BSC Invest 1 ApS	Hundested	40,000	94%
M/V "Simon B" GmbH & Co. KG	Tyskland	1,282,865	90%
BSC Invest 2 ApS	Hundested	40,000	94%
MS Bothnia Fin GmbH & Co. KG	Tyskland	2,284,000	77%
BSC Invest 3 ApS	Hundested	40,000	94%
MS Baltic Fin GmbH & Co. KG	Tyskland	2,284,000	77%

NOTES TO THE FINANCIAL STATEMENTS

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
12. Investments in associated companies				
Cost at 1 January	1,073,500	1,073,500	1,073,500	1,073,500
Additions for the year	13,237,682	0	0	0
Cost at 31 December	14,311,182	1,073,500	1,073,500	1,073,500
Carrying amount at 31 December	14,311,182	1,073,500	1,073,500	1,073,500

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes	Equity	Net profit/loss for the year
Hvide Sande Supply ApS	Hvide Sande	150,000	49%	2,032,000	1,863,000
Rix Spirit		1,780,000	50%	1,780,000	0

13. Other fixed asset investments

Group

	Other investments	Deposits
	DKK	DKK
Cost at 1 January	3,346,605	325,922
Additions for the year	4,350,586	57,314
Cost at 31 December	7,697,191	383,236
Carrying amount at 31 December	7,697,191	383,236

	Group		Parent company	
	2022	2021	2022	2021
	DKK	DKK	DKK	DKK
14. Inventories				
Bunker	16,859,112	10,377,580	0	0
	16,859,112	10,377,580	0	0

NOTES TO THE FINANCIAL STATEMENTS

15. Prepayments

Prepayments consist of prepaid time charter hire, prepaid expenses concerning rent, insurance premiums and subscriptions as well.

Group		Parent company	
2022	2021	2022	2021
DKK	DKK	DKK	DKK

16. Provision for deferred tax

Deferred tax liabilities at 1 January	504,068	496,689	0	0
Amounts recognised in the income statement for the year	-407,052	7,379	0	0
Deferred tax liabilities at 31 December	97,016	504,068	0	0

17. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Group		Parent company	
2022	2021	2022	2021
DKK	DKK	DKK	DKK

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	4,587,621	5,840,579	0	0
Long-term part	4,587,621	5,840,579	0	0
Within 1 year	3,860,831	1,581,787	0	0
	8,448,452	7,422,366	0	0

Other payables

After 5 years	1,604,312	1,571,315	0	0
Between 1 and 5 years	38,544,400	0	0	0
Long-term part	40,148,712	1,571,315	0	0
Other short-term payables	53,631,528	18,651,237	27,170,369	100,000
	93,780,240	20,222,552	27,170,369	100,000

NOTES TO THE FINANCIAL STATEMENTS

18. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Group	
2022	2021
DKK	DKK

19. Cash flow statement - Adjustments

Financial income	-4,865,350	-1,702,354
Financial expenses	4,070,688	1,526,747
Depreciation, amortisation and impairment losses, including losses and gains on sales	4,916,256	2,935,669
Income from investments in associates	-543,900	-509,600
Tax on profit/loss for the year	19,499,083	9,136,368
Other adjustments	-69,364	742,366
	23,007,413	12,129,196

Group	
2022	2021
DKK	DKK

20. Cash flow statement - Change in working capital

Change in inventories	-6,481,532	-4,972,686
Change in receivables	-64,676,365	-35,884,459
Change in trade payables, etc	31,220,123	19,592,593
	-39,937,774	-21,264,552

NOTES TO THE FINANCIAL STATEMENTS

Group		Parent company	
2022	2021	2022	2021
DKK	DKK	DKK	DKK

21. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	306,998,362	115,824,674	0	0
Between 1 and 5 years	521,179,579	59,537,408	0	0
After 5 years	7,642,902	0	0	0
	835,820,843	175,362,082	0	0

Guarantee obligations

Other fixtures and fittings, tools and equipment	8,600,513	7,598,497	8,600,513	7,598,497
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Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Baltic Holding Hundedst ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

22. Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Group	
2022	2021
DKK	DKK

23. Fee to auditors appointed at the general meeting

PricewaterhouseCoopers

Audit fee	365,400	250,000
Tax advisory services	200,000	0
Non-audit services	67,002	15,000
	632,402	265,000

NOTES TO THE FINANCIAL STATEMENTS

24. Accounting policies

The Annual Report of Baltic Holding Hundested ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2022 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Baltic Holding Hundested ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

NOTES TO THE FINANCIAL STATEMENTS

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue recognised in the Group relates to coaster transport of bulk and project cargo, commercial ship management, agency and stevedoring activities. Revenue is recognised when the risks and rewards relating to the service provided have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the expenses for services related to chartering, agency and stevedoring necessary to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

Income from investments in subsidiaries and associates

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years
Ships	10 years

The residual values are estimated at the following percentage of the cost:

Ships	10 %
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The residual value of other fixed assets is determined at nil.

Depreciation period and residual value are reassessed annually.

NOTES TO THE FINANCIAL STATEMENTS

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Other payables include working accounts with ship owners.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

NOTES TO THE FINANCIAL STATEMENTS

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin

$\text{Gross profit} \times 100 / \text{Revenue}$

Profit margin

$\text{Profit before financials} \times 100 / \text{Revenue}$

Return on assets

$\text{Profit before financials} \times 100 / \text{Total assets at year end}$

Solvency ratio

$\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity

$\text{Net profit for the year} \times 100 / \text{Average equity}$



BALTIC SHIPPING COMPANY GROUP

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CVR 36085851

